

Korea



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1 General

1.1 What legislation, regulations and guidelines are relevant to consumer protection in your jurisdiction?

Relevant laws include but are not limited to the Framework Act on Consumers (“FAOC”), the Act on the Regulation of Terms and Conditions (“TCA”), the Act on Installment Transactions, the Act on Door-to-Door Sales, the Act on Consumer Protection in Electronic Commerce (“Electronic Commerce Act”), the Act on Fair Labeling and Advertising (“AFLA”), the Product Liability Act (“PLA”), and the Motor Vehicle Management Act.

1.2 What is the definition of “consumer” (i.e., who does consumer protection law protect)?

According to Article 2(1) of the FAOC, the term “consumer” means “those who use (or utilize) the goods and services (or facilities) provided by businesses for their daily lives as consumers or for their production activities, as prescribed by Presidential Decree”.

1.3 Who is/which entities are required to comply with consumer protection law?

Businesses must comply with consumer protection laws. A business means “those who manufacture (including processing or packing), import or sell goods, or furnish services” (Article 2(2), FAOC). Additionally, the “state and local governments” must comply with consumer protection laws, including the obligation to enact, amend, and abolish related laws and ordinances in order to realise the basic rights of consumers (Article 6).

1.4 Which agency/agencies is/are responsible for enforcing consumer protection law (i.e., who is the investigator and who is the adjudicator)?

The national and local governments, the KFTC, the heads of central administrative agencies and mayors/governors, the Consumer Policy Committee, and the Korea Consumer Agency are responsible for enforcing the consumer protection laws. In particular, the KFTC and the Korea Consumer Agency act both as an investigator and a judge.

2 Protections in Relation to the Quality and Function of Goods and Services

2.1 Please describe any protections regarding the quality and function of goods and services acquired by consumers.

Article 10 of the FAOC stipulates that the nation must set labelling standards for product names, specifications, quality assurance period, etc. to ensure that consumers do not select or use products incorrectly due to the labelling or packaging. Moreover, Articles 48 to 50 of the FAOC stipulate recommendations and orders for removal and destruction of goods. Additionally, according to Articles 6 to 7 of the TCA, provisions that are unreasonably disadvantageous to consumers and provisions that exclude or limit liability for quality assurances without significant reasons are invalid.

2.2 Please outline the substantive tests for these protections.

Under Article 10 of the FAOC, the relevant authorities establish consumer protection standards based on the characteristics of goods and services concerned in accordance with the relevant laws. For example, with respect to cosmetic products, Article 10 of the Cosmetics Act stipulates that the ingredients, the volume and weight, expiration date, etc. must be marked, and the Ministry of Food and Drug Safety may collect the products to make a fact-based investigation on whether the above requirement/standard has been met.

2.3 What types of goods and services are covered by the protections relating to the quality of goods and services?

All types of goods and services purchased and used by consumers are protected. The Consumer Dispute Resolution Standards established and announced by the KFTC (KFTC Notification No. 2024-32, Annex 1) detail the items covered by these standards, including nearly every conceivable type of goods and services. Products and services not listed in the annex are also protected. Furthermore, under clause 2 of the general Consumer Dispute Resolution Standards (enacted under the FAOC, Annex 1), even “economic benefits provided to consumers by businesses in connection with the sale of goods”, such as promotional gifts, are also considered protected.

2.4 Are there any exceptions to these protections?

Those who use the provided goods or services as raw materials, intermediate goods, capital goods, or similar purposes in production activities are excluded from the scope of consumer protection laws. The same applies to those engaged in deep-sea fishing (Article 2, Enforcement Decree of FAOC).

2.5 What remedies are available for a breach of the protections in relation to the quality and function of goods and services?

Businesses shall not manufacture, import, sell, or provide goods and services that violate the standards set by the government, and shall not display, advertise, or act in violation thereof (Article 20(1) through (4), FAOC). The head of a central administrative agency may, if a business violates Article 20 of the FAOC, order the business to take necessary corrective measures, such as suspension of the activity concerned (Article 80(1)). A violation of such order may subject it to imprisonment of up to three years or a fine of up to KRW 50 million (Article 84(1)). Additionally, a penalty of up to KRW 30 million may be imposed for violating Article 20 alone (Article 86(1)).

2.6 Who has or which agencies have standing to initiate proceedings for a breach?

Consumers can apply to the Korea Consumer Agency for relief with respect to damages caused by goods and services, and the head of a central administrative agency can conduct investigations and inspections necessary to deal with consumer complaints.

2.7 Describe at least two examples of public or private enforcement of these protections in the last five years, including the conduct/alleged conduct, result and penalties imposed.

Example 1: A marriage brokerage service contract stipulated that the other person to be introduced shall be a resident of Seoul but the consumer was provided with a profile whose residence was not in Seoul. The consumer gave notice of termination for breach of contract, but the agency claimed that only 85% of the subscription fee could be refunded because they provided a profile of the other person. It was concluded that the termination was due to reasons attributable to the agency according to the Korea Consumer Agency's relief procedures and Consumer Dispute Resolution Standards, and the agency must refund the full subscription fee as well as pay damages of 15% of the subscription fee.

Example 2: A consumer found a defect around six months after the completion of his apartment renovation and made a repair request but the business rejected such request saying that the warranty period has lapsed. This matter was resolved through the relief procedure of the Korea Consumer Agency. It was concluded that stipulating the warranty period for interior construction works as less than one year is unfairly disadvantageous to the consumer under the Framework Act on the Construction Industry and the TCA and is thus unenforceable, and the business must repair the defect.

Example 3: KFTC reviewed the terms and conditions of use for 18 wedding planning service providers, correcting six

types of unfair clauses found in their contracts. Services such as studio photography, dress rentals, and makeup, collectively known in South Korea as "Su-Do-Mae," are essential for couples preparing for marriage. Consequently, companies offering bundled "Su-Do-Mae" services have emerged, significantly influencing the wedding market. The KFTC, noting numerous consumer grievances due to the unfairness of the prepared terms, scrutinised the terms of 18 companies. The review led to the correction of unfair clauses including: i) exclusion of essential options from basic services; ii) unclear pricing (additional fees) and cancellation fee standards; iii) excessive cancellation fees; iv) unfair exemption clauses for transaction liability; v) unfair transfer prohibition clauses; and vi) unfair jurisdiction clauses, thereby minimising potential consumer harm from unfair contract terms during wedding preparations.

3 Protections/Prohibitions in Relation to the Safety of Goods and Services

3.1 Please describe any protections regarding the safety of goods and services acquired by consumers.

Chapter 7 (Articles 45 to 52) of the FAOC contains regulations for consumer safety. Specifically, the FAOC imposes an obligation on businesses to report information on defects if they become aware of a fact that the relevant goods or services have a serious defect that causes or is likely to cause harm to life, body, or property (Article 47), and voluntarily remove such goods or services (Article 48), and if the voluntary removal is not carried out, the head of the central administrative agency or the mayor/governor may recommend or order such removal (Articles 49 to 50). In addition, the FAOC provides for more strengthened consumer-safety-related protection to vulnerable groups, such as children, the elderly, and the disabled, by prioritising protection measures (Article 45).

The Framework Act on Product Safety also stipulates the establishment of a comprehensive plan for product safety management, safety investigations, and the establishment of the Korea Product Safety Management Institute for the purpose of securing product safety. Furthermore, the PLA imposes strict liability on the manufacturer for damages to property (Articles 1 to 3).

3.2 Please outline the substantive tests for these protections.

The substantive test is a fact-based inquiry as to whether the product or service had a serious defect that harmed or may cause harm to life, body, or property. Such defect is one that lacks the safety normally expected in manufacturing, design, display, or distribution of goods, which causes or is likely to cause physical injury or disease requiring medical treatment for at least three weeks, or food poisoning to two or more people.

3.3 What types of goods and services are covered by the protections relating to the safety of goods and services?

Under the FAOC, all types of goods and services purchased and used by consumers are protected, and there are no special restrictions. On the other hand, the PLA provides protection only for "manufactured or processed movable property".

3.4 Are there any exceptions to these protections?

Please see our response to question 2.4. Additionally, the PLA recognises that the manufacturer will be exempted from liability for damages if the existence of the defect could not be identified with the scientific or technical knowledge at the time of supply (Article 4, PLA).

3.5 What remedies are available for a breach of the protections in relation to the safety of goods and services?

If the removal order by the head of the central administrative agency or the mayor/governor is not followed, the business will be punished with imprisonment for up to three years or with a fine of up to KRW 50 million (Article 84(1)1, FAOC). Additionally, if a business fails to faithfully fulfil its duty to report information on a defect under Article 47 of the FAOC, a penalty of up to KRW 30 million is imposed (Article 86(1)3).

Moreover, the head of a central administrative agency may order a business to recall its product if the relevant product's harm is confirmed as a result of a safety inspection or if a product causes or is likely to cause harm to the health, safety or property of consumers due to the change of parts thereof, etc. by way of certification/verification as prescribed by individual statutes (Article 11, Framework Act on Product Safety). If such order is not followed or products that have not been certified are sold or distributed, the relevant persons may be imprisoned for up to three years or fined up to KRW 30 million (Article 26(1)).

3.6 Are there mandatory reporting requirements with respect to the safety of goods or services?

Similar to our response in question 3.1 above, businesses have a duty to report the information on defect to the head of the central administrative agency if the goods concerned have a serious defect that causes or is likely to cause harm to the lives, bodies, or properties of consumers (Article 47(1), FAOC). Here, a serious defect means a defect that lacks safety, which inflicts or is likely to inflict death, physical injuries or diseases that require at least three weeks of treatment at medical institutions or causes food poisoning of at least two persons (Article 34(1), Enforcement Decree of the FAOC). The above report should be made in writing within five days from the date the business becomes aware of such serious defect (Article 35(1)).

3.7 Describe any voluntary or mandatory product safety recall regimes.

With respect to all goods and services, if there is a risk of danger or injury to the lives, bodies, and properties of consumers, the business must voluntarily recall the relevant goods and services. If not, the head of the central administrative agency or the mayor/governor may recommend and order the removal thereof (Articles 48 to 50, FAOC). Furthermore, as explained in question 3.5 above, the head of the central administrative agency may order the removal of the product to the business, etc., when the risk of the product is confirmed by way of a safety investigation (Article 11(1), Framework Act on Product Safety).

3.8 List at least two examples of public or private enforcement of these protections in the last five years, including the breach/alleged breach, result and penalties imposed.

Example 1: A business who manufactured and sold about 400 electric stoves with parts that were different from those at the time of certification was sentenced to six months in prison and two years of probation by the Court for violating Article 26(1)1-2 of the Framework Act on Product Safety.

Example 2: The representative director of a company engaged in import and sale of food was found guilty of importing and selling specific food items without reporting them to the authorities and falsely indicating the expiration date. The Court sentenced him to six months in prison with a two-year probation.

4 Prohibitions Relating to "Conduct" Against Consumers

4.1 Please describe any protections/prohibitions relating to the conduct of persons or businesses (e.g., manufacturers/retailers) which sell or supply goods and services to consumers ("Conduct"). For example, misleading and deceptive Conduct, unconscionable Conduct, etc.

According to the AFLA, businesses must not engage in placing deceptive or exaggerated advertisements that may mislead consumers and thereby harm the integrity of fair trade as well as placing advertisements that unfairly compare with other products or that are derogatory in their nature (Article 3, AFLA). AFLA also provides that if any clause under an agreement between a consumer and a business is unreasonably disadvantageous to the consumer, is difficult for the consumer to anticipate in light of the related circumstances, or restricts the consumer's fundamental rights under the agreement, such clause is considered invalid (Article 6, TCA). No business may include such unfair clause in the terms of the agreement (Article 17).

4.2 Please outline the substantive tests for the above-mentioned protections/prohibitions.

Whether a label or advertisement is likely to deceive or mislead consumers is objectively judged based on the overall impression of ordinary consumers, and whether the advertisement itself may interfere with a consumer's reasonable decision to purchase undermining fair trade in the relevant market.

4.3 What types of goods and services are covered by these protections/prohibitions? Is the payment of a price for these goods/services always required for their enforceability?

These protections/prohibitions apply to all types of goods and services. There are no areas of goods/services where these terms do not apply. Furthermore, payment of a price for such goods/services is not always required for the above laws to be enforced. Provisions of the AFLA may apply as long as advertisements are placed in relation to the relevant goods/services. Moreover, the TCA applies if there is an unfair clause in the relevant agreement, and does not require that the consumer has paid a price for the goods/services for the TCA to apply.

4.4 Are there any exceptions/exemptions to the protections/prohibitions relating to Conduct?

With respect to the TCA, in the case of certain business categories that have internationally accepted terms and conditions in place, it is possible for such business categories to use terms and conditions that include an exemption clause, a clause prohibiting termination or rescission of agreement, and/or a clause prohibiting filing of litigation, etc. (Article 15, TCA). Also, according to Supreme Court precedents, if a contracting party maintains certain terms and conditions and presents them to the other party and thereby enters into agreement under the same, those terms and conditions are to be deemed as an individual agreement, rather than those subject to the TCA, if such other party was given the opportunity to make adjustments thereto for their own benefit by way of separate negotiations (*see* Supreme Court Judgment, June 12, 2014, 2013Da214864) and accordingly, it would be unlikely for such agreement to be in breach of the TCA.

4.5 Are there any specific rules which apply in relation to online marketplaces?

With respect to online markets, the Electronic Commerce Act applies. The Electronic Commerce Act applies to electronic commerce transactions where commercial activities, in whole or in part, are conducted by means of electronic transaction, or mail orders where goods or services are sold by means of mail, telecommunications or other methods (Article 1 and Article 2, Electronic Commerce Act). Under the Act, the KFTC should formulate guidelines (Article 23(1)), and it also provides for a consumer's right to cancel the contract/order, places a restriction on the amount of damages, etc. (Articles 17 through 19), and prohibits businesses from making use of deceptive methods such as neglecting the shortage of human resources or facilities required to resolve disputes or complaints, and making use of consumer's information without consent, etc. (Article 21).

4.6 What remedies are available for a breach of the protections/prohibitions relating to Conduct?

If a business places unreasonable labelling or advertising in breach of Article 3 of AFLA, the KFTC may suspend such acts of breach, publicly announce that a corrective order has been issued to the business, and order the business to make a corrected advertising (Article 7(1), AFLA), and may also impose a penalty surcharge up to 2 per cent of the amount of sales (Article 9(1)). Any business that places unreasonable labelling or advertising in violation of Article 3 or fails to comply with the order set out under Article 7(1) shall be subject to imprisonment of up to two years or a fine not exceeding KRW 150 million (Article 17).

4.7 List at least two examples of public or private enforcement of the protections relating to Conduct in the last five years, including the breach/alleged breach, result and penalties imposed.

Example 1: The defendant engaged in food manufacturing and the processing business produced 28 foods items, including spices and sauces, which were mixed to make a final product.

The defendant violated the Act on Labeling and Advertising of Foods by falsely indicating on the label of the final product the names of ingredients and their blending ratio. The Court sentenced the defendant to six months of imprisonment with a one-year probation, and a fine of KRW 10 million.

Example 2: The defendant operated a company that manufactured heating stoves for construction sites. Despite the fact that raw materials used for the heating stove product was smokeless coal, the defendant made false and exaggerated representations on the product container that the raw material was "charcoal, natural charcoal briquettes", and made false and exaggerated advertisements that the product has "almost no toxic gas emissions and is harmless to physical health". The Court sentenced the defendant to eight months of imprisonment with a two-year probation.

5 Other Protections/Prohibitions

5.1 Does consumer law in your jurisdiction have any other prohibitions/protections not covered by the questions above? If so, please describe these prohibitions/protections.

The Electronic Commerce Act sets out matters on consumer protection that are applied to electronic commerce transactions (referring to commercial activities that are processed by way of electronic methods, such as transactions that are fully or partially carried out by means of electronic documents), and for instance, the Act provides that a business should preserve the records on transactions, such as advertisements and contents of the contracts thereof in connection with electronic commerce transactions and mail orders for a substantial period of time (Article 6(1)), and if a business uses any electronic means, the persons related to electronic payment, such as the business entity and provider of electronic payment services, must take measures necessary to maintain security of the relevant information (Article 8(1)). When collecting or utilising information on consumers for electronic commerce transaction or mail order, the business should collect and/or make use of such information in accordance with applicable provisions, including the Act on Promotion of Information and Communications Network Utilization and Information Protection. (Article 11(1)).

5.2 Please outline the substantive tests for the above-mentioned protections/prohibitions.

If a transaction is made through an online shopping mall, the duty to protect consumers under the Electronic Commerce Act is determined based on whether the consumer, who is a party to the transaction, can view and check the transaction record online, and is immediately notified of the electronic payment through e-mail, telephone, or text message, etc.

5.3 Are there any exceptions/exemptions?

The Electronic Commerce Act does not apply to any transaction where a business makes a purchase for the purpose of commercial activity (Article 3(1), Electronic Consumer Act). However, even if it involves a business, the Act applies if the business is in a transaction in the position of a consumer, under the same transaction terms as other consumers.

5.4 What remedies are available for a breach of these protections?

If a business breaches its duty under the Electronic Commerce Act, the KFTC may order the business to carry out corrective measures, such as discontinue the relevant act of breach, perform the duty set out under the Act, publicly announce that corrective measures have been imposed and carry out measures necessary to prevent causing such damage to consumers and to provide relief for such damage (Article 32(1), Electronic Commerce Act), and the KFTC may order full or partial suspension of the business for a fixed period not exceeding one year (Article 32(4)). If the business suspension is deemed likely to cause serious inconvenience to consumers, the KFTC may, *in lieu* of the suspension, impose upon the relevant business penalty surcharges that do not exceed the sales revenue associated with the breach (Article 34(1)).

5.5 List at least two examples of public or private enforcement of these protections in the last five years, including the breach/alleged breach, result and penalties imposed.

Example 1: The KFTC issued a corrective order to four mail-order businesses, for failing to provide proper information concerning the seller or failing to come up with ways so that consumers can review information concerning the seller, finding them to have breached the Electronic Commerce Act. The KFTC ordered the businesses to come up with specific standards to correct such breach and submit plans, which include the aforementioned standards on carrying out the Commission's corrective order.

Example 2: Seven social media-based shopping malls were discovered to have induced consumers through deceptive ways, or obstructed consumers from cancelling their orders, which are acts prohibited by the Electronic Commerce Act, as well as breaching their duties to disclose their identity, products, transaction terms. The KFTC imposed a total of KRW 33 million as a penalty surcharge against these businesses.

Example 3: Three businesses, through their e-commerce platforms, sold idol albums and merchandise while falsely shortening the period for consumer withdrawal rights below the duration mandated by the Electronic Commerce Act, and arbitrarily limiting the reasons for withdrawal as stipulated by the same law. They used deceptive practices to hinder consumers from cancelling orders or terminating contracts. KFTC imposed a total fine of 7.5 million KRW on three online businesses.

6 Investigation of Potential Breaches

6.1 What powers does/do the consumer authority/authorities in your jurisdiction have to investigate potential breaches of consumer law? Describe the key steps in a typical investigation.

The head of a central administrative agency may have a public official under its authority conduct an inspection of the goods, facilities, and manufacturing process, collect necessary samples, order the business to make a report of the business or submit the relevant goods or documents (Articles 77(1)1 to 4, FAOC). When there is good cause to suspect the safety of goods, etc., the head of the central administrative agency may have its public official enter the places of business and

manufacture, warehouses, offices, etc. to conduct an inspection. (Article 77(3)). With such power, the authorities can investigate any potential violation of the consumer protection laws.

6.2 How is an investigation triggered (e.g., *ex officio*, whistleblower or complaint)?

Such investigation may commence *ex officio*, or after a complaint is filed. If the government first detects an alleged violation of the consumer protection laws, the government will investigate *ex officio*. If there are consumer complaints or other reports, the investigation process will commence after such report is filed.

6.3 Describe any complaints procedure for (i) consumers, and (ii) businesses.

According to the FAOC, consumers may apply for damages caused by the use of goods or services with the Korea Consumer Agency. When the government, consumer organisation, or a business receives such application from a consumer, the settlement of such application may be entrusted to the Korea Consumer Agency (Article 55(1) through (3), FAOC). Also, if a business infringes directly on the rights and interests of consumers relating to their lives, bodies, or properties, the consumers may file a class action lawsuit (Article 70).

6.4 What is the timeline for a typical investigation?

If the government discovers directly that a business has violated the consumer protection laws or receives a report of such violation, the government will carry out an investigation as examined under question 6.1 above. Meanwhile, the consumer organisation and the Korea Consumer Agency may request for necessary materials and information in carrying out their tasks, and as long as there is no reasonable reason to refuse providing such materials or information, the business must comply therewith (Article 78(1), FAOC). If the investigation results show that such violation of the Act has indeed occurred, the head of a central administrative agency can order the business to carry out corrective measures (Article 80(1)), or the KFTC can request for such order to the head of the central administrative agency (Article 81(2)).

6.5 Are there criminal penalties for non-compliance with a consumer law investigation? If so, provide examples where such penalties have been imposed.

Although criminal punishment may be imposed for violation of law based on the investigation results, there is no criminal punishment for not complying with the above investigation procedures. However, a penalty of up to KRW 30 million may be imposed on any person who refuses to comply with such investigation procedures (Article 86(1)4, FAOC).

6.6 Can investigations be resolved by way of commitments or undertakings?

An investigation cannot be resolved by way of a simple commitment or undertaking. A corrective measure will be imposed once a violation of law is discovered, and the relevant business

may have to make a public announcement that the business received a corrective order pursuant to the order issued by the head of the central administrative agency (Article 80, FAOC).

7 Enforcement

7.1 How does/do the consumer authority/authorities seek to enforce consumer law (e.g., by administrative decision or by commencing proceedings in court)?

As examined in questions 6.1 through 6.4 above, if a business is discovered to have violated the law, the head of a central administrative agency may issue a corrective measure, and may also issue an order to have the relevant goods recalled and destroyed. Generally, the law is enforced by way of administrative procedures, such as a corrective measure or recall order. However, in the event the business refuses to comply with such administrative procedure, it may be subject to imprisonment or a fine, which will take place by way of court process

7.2 Is/are the consumer protection authority/authorities bound by a time limit to commence proceedings on breaches?

Generally, the FAOC does not place time limits for the authorities to commence consumer protection procedures.

Meanwhile, in order to impose criminal punishment, compliance with the statute of limitations set out under the Criminal Procedure Act is required.

7.3 Where regulators/enforcement bodies have a choice of enforcement tools/powers, what considerations do they take into account in determining which tools/powers to use?

It appears that regulatory agencies primarily consider the nature of the legal violation and the extent of its unfairness. Depending on the type of violation, they can order the cessation of the infringing activities or mandate appropriate compensation. Additionally, depending on the severity of the unfairness, they may simply require corrective measures or pursue criminal proceedings alongside.

7.4 Describe the relevant rules and procedures that must be followed by such bodies (e.g., administrative, judicial).

Corrective actions, such as cessation orders under Article 80 of the FAOC, and recall orders under Article 50 of the FAOC, are key enforcement tools. Non-compliance with these measures can result in severe penalties for businesses, including imprisonment for up to three years or fines up to 50 million KRW, as stipulated in Article 84(1)1 of the FAOC. Consequently, businesses typically comply with such directives to avoid these serious legal consequences.

7.5 Is there a right to a stand-alone action and follow-on right of action within consumer law? Who has standing to bring these actions?

Under the FAOC, a consumer organisation may file a class action lawsuit. Such class action lawsuit constitutes the consumer organisation's right to a stand-alone action (Article

70, FAOC). Meanwhile, the follow-up measure for corrective orders or recall orders is the criminal punishment under Article 84(1)1 of the FAOC. Such criminal punishment may be imposed only if the relevant business refuses to comply with the above orders, and such criminal punishment is imposed in the following order: firstly, the prosecutors' office files charges against the business; and secondly, the court makes a judgment.

7.6 Is there a statute of limitations for bringing stand-alone or follow-on actions?

The class action lawsuit by a consumer organisation may be filed only if the rights and interests of consumers relating to their lives, bodies, or properties, continue to be infringed upon (Article 70, FAOC); there is no time limit, such as statute of limitations, imposed. Meanwhile, criminal punishment under Article 84(1)1 of the FAOC and Article 124(1)9 of the Monopoly Regulation and the Fair Trade Act are subject to a five-year statute of limitations under Articles 249(1)5 and 250 of the Criminal Procedure Act and Article 50 of the Criminal Act.

7.7 Describe any international or regional cooperative mechanisms (e.g., MOUs) in which your jurisdiction is involved in the enforcement of consumer protection.

International organisations such as the UN, the Organisation for Economic Co-operation and Development ("OECD"), and the International Consumer Product Health and Safety Organization ("ICJPSO") continuously engage in discussions related to consumer protection. The UN addresses consumer policies through bodies like the United Nations Conference on Trade and Development ("UNCTAD") and the United Nations Commission on International Trade Law ("UNCITRAL"). The OECD has established the Committee on Consumer Policy ("CCP"), which focuses on consumer issues. ICJPSO hosts an international network dedicated to consumer safety, under which the International Consumer Product Safety Committee ("ICPSC") serves as a collaborative body of national agencies responsible for consumer product safety. South Korea actively participates in these discussions and collaborates in the international processes facilitated by these organisations.

8 Appeals

8.1 Describe any appeal processes.

Since all measures, including corrective orders, issued by the authorities correspond to "dispositions" under the administrative laws, such measures can be contested by way of administrative lawsuits, and since penalty surcharges also correspond to "disposition", they can also be contested using the above method. Specifically, such administrative lawsuits take the form of cancellation lawsuits. On the other hand, criminal punishments can only be contested before courts of appeals.

8.2 Can consumers or retailers/manufacturers appeal decisions made by the consumer authority/authorities or by a court?

To resolve disputes between consumers and businesses, the Korea Consumer Agency has established a "Consumer Dispute

Mediation Committee”. Both businesses and consumers can accept the mediation results of this committee, or they may disagree and continue with the dispute. If this process leads to disagreement, ultimately, the case will be brought to court. Additionally, as previously mentioned, measures such as corrective orders issued by the government can also be disputed through administrative litigation. In the meantime, court judgments can only be disputed through an appeal.

8.3 Does an appeal suspend the effect of any penalty/the requirement to pay any fine (if applicable)?

The appeals process through administrative litigation does not typically include the effect of suspension of execution, and therefore, does not suspend the relevant requirements, such as the obligation to pay fines (Article 23(1), Administrative Litigation Act). However, if a cancellation suit has been filed, the court may decide to suspend the execution if there is an urgent need to prevent irreparable damages (Article 23(2)), in which case the requirement to pay fines, etc. will be suspended.

9 Current Trends and Anticipated Reforms

9.1 What are the recent enforcement trends in your jurisdiction and what key trends do you expect in the next 12 months?

In response to the accelerated digital transformation triggered by the COVID-19 pandemic, e-commerce has surged in South Korea, bringing with it numerous consumer issues. Particularly prevalent are the harms caused by so-called “dark patterns”, which are commercial practices using digital design elements that distort or impair consumers’ autonomy,

decision-making processes, or choices in the online business environment. Furthermore, as we moved into 2024, the entry of foreign operators into the South Korean market has intensified the incidence of consumer issues, especially from foreign online platforms that lie in regulatory grey areas.

The Korea Consumer Agency (“KCA”) and the KFTC are actively addressing these emerging harms. The KCA highlighted the need to prevent damages caused by dark patterns through the “2024 Consumer Policy Trends” report, which analysed the detrimental effects of dark patterns and regulatory examples from around the world, emphasising the need to induce voluntary changes in companies and enhance consumer awareness.

The KFTC, having corrected a total of 28 types of unfair terms used by online platforms at the end of 2023, further declared its intention to rigorously enforce South Korean laws against foreign online platforms with the announcement of consumer protection measures specifically targeting these platforms on March 13, 2024. Given the ongoing increase in e-commerce via online platforms beyond 2024 into 2025, it is expected that such consumer-friendly policies by South Korean regulatory authorities will continue to be strengthened.

9.2 Are there any proposed reforms to consumer law or policy within the next 12 months?

In Korea, although the FAOC provides provisions for consumer class action lawsuits (Article 70), only eight such lawsuits have filed between 2006, when the system was first introduced, and 2021. Accordingly, various reform proposals have been suggested to improve consumer class action lawsuits, including the addition of a “consumer group consultative body”. Another reform proposal that could be implemented within the next 12 months is to allow for such lawsuits to be filed not only for direct infringement of consumer rights, but also when substantial infringement can be expected to occur.



Attorney **Kwang Hyun Back** has specialised in fair trade since 2007, accumulating 18 years of practical experience addressing areas such as unfair collusion, suppression of economic concentration, corporate mergers, abuse of dominant market positions, unfair trade practices, favouritism in awarding contracts, subcontracting transactions, large-scale retail transactions, franchise dealings, agency transactions, e-commerce, and Compliance Programs. Notable cases include the first domestic reverse payment agreement incident involving Dong-A Pharmaceutical and GSK, and multiple instances of unfair collusion related to construction companies in the Kyungin Canal project, Incheon Subway Line 2, and LNG storage tank bidding, along with related damage compensation lawsuits.

Currently, as the team leader of the Fair Trade Team 2 at Barun Fair Trade Group, Back meets with clients and practises various initiatives to promote the importance of a fair competitive environment. He also runs the YouTube channel "Law Veteran Baek Kwang-hyun" and regularly conducts training for corporate employees. He has published several works, including "Reasons Why Popcorns can be Expensive at Movie Theaters", "Let's Live Together Franchise Business", and "Precedents per Clause and Terms of the Wholly Amended Fair Trade Act".

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Barun Law LLC, established in 1998, gained the reputation as a leading litigation powerhouse in South Korea. The firm's Antitrust and Competition Group (Team 2), headed by Attorney Kwang Hyun Back, the winner of the TOP AWARDS for two consecutive years in the antitrust and competition practice, has been producing results that meet the expectations of their clients in a wide range of fair trade cases, including matters on collusion, abuse of market dominant position, unfair trade practices, and unfair assistance acts.

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